

Administrative Rule Fiscal Impact Statement

Date: 9/15/08

Agency: Department of Natural Resources

IAC Citation: IAC 567 –Chapter 69, Onsite Wastewater Treatment and Disposal Systems

Agency Contact: Daniel Olson, RS

Summary of the Rule: Chapter 69 contains the construction requirements for onsite wastewater treatment or septic systems. The rule changes reflect changes and additions to include the latest technologies and research in septic systems. The rule changes also include a section on time of transfer inspections. Inspection of septic systems when a home is sold will be required by SF261. The rules outline the inspection procedure and a certified inspector program.

Fill in this box if the impact meets these criteria:

☐ No Fiscal Impact to the State.

☒ Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.

☐ Fiscal Impact cannot be determined.

Brief Explanation:

The state will incur the costs to manage the time of transfer inspection program. Considerable staff time will be required to implement the program and to certify inspectors and track that certification.

Fill in the form below if the impact does not fit the criteria above:

☐ Fiscal Impact of \$100,000 annually or \$500,000 over 5 years.

* Fill in the rest of the Fiscal Impact Statement form.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	<u>Year 1 (FY 09)</u>	<u>Year 2 (FY 10)</u>
Revenue by Each Source:		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify) certified inspector fees	\$35,000	
		\$35,000
TOTAL REVENUE	<u>\$35,000</u>	<u>\$35,000</u>
Expenditures:		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify) 1 FTE first year		
½ FTE second year		
	\$45,000	\$27,500
TOTAL EXPENDITURES	<u></u>	<u></u>
NET IMPACT	(\$10,000)	\$7,500

 x This rule is required by State law or Federal mandate.

Please identify the state or federal law: Senate File 261, 2008 Iowa Legislative session, requires the time of transfer inspection additions to the rules.

 x Funding has been provided for the rule change.

Please identify the amount provided and the funding source: The rules provide for certification fees for time of transfer inspectors. We expect to certify 100 inspectors in each of the first two years with the number of new inspectors diminishing in subsequent years. Renewal fees (\$300) will then be collected every other year.

 Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

Fiscal impact to persons affected by the rule:

Homeowners selling their home with a septic system will be required to have that system inspected prior to recording the deed for transfer. An inspection is expected to cost approximately \$200 to \$500. If that system is found to be inadequate (i.e. illegal), it must be replaced. The average cost of a septic system is \$6500.

New construction rules require septic tank risers to the surface and effluent screens. This is expected to add approximately \$200 to the cost of a septic system.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):

Counties will be required to manage the records generated by time of transfer inspections. Counties can do the inspections if certified and charge a commensurate fee. If other certified individuals do the inspections, they are required to submit inspection reports to the county environmental health office. The additional work to manage these records will cost approximately \$2000 to \$10,000 annually depending upon the size of the county and the number of homes sold with septic systems.

* If additional explanation is needed, please attach extra pages.

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